

made, in my view, just from this moment on—I think if you look at the reconstruction funds, some of it is—maybe not intentionally—inflated.

For example, there is a provision in there for x number of pickup trucks. We were not talking about Humvees or military vehicles. They need pickup trucks. The government needs them for basic, mundane purposes. Well, in the authorization here, we are going to pay \$32,000 for a pickup truck. I can take them to a nice Chrysler plant in my State and get them for \$18,000.

We are also talking about building prison cells. I spent some time, along with my friend, Senator LUGAR, and my friend, Senator HAGEL, out at the police training academy in Baghdad, and we talked to—I might add, we have a first-class team there. These are serious guys. These guys know their way around. They have been in Bosnia, Kosovo, and Afghanistan, and they understand this. There is money in here that comes to \$50,000 per prison cell. We need to build prisons. There are no functioning prisons in Iraq. We have to build them.

By the way, the guy running our prison operation there, when asked how long it would take if he had all the resources he needed, he said it would take a couple years to get a prison system up and running.

But that is not the point. We are going to pay \$55,000 per bed in an Iraqi prison. We pay half that here in the United States of America. We are in a country, I might add, where the building specs and requirements are less than they are here. So I think we have to be responsible and take a look at the details of this.

So my first concern is about whether or not the money is being efficaciously allocated. That is a responsibility of oversight that we have. That is our job. We can do it in a timely way and we will get this finished within a week or so and get it done. That is the first concern I have, in a practical sense, on what we are going to do on the floor.

The second concern is my monumental concern. My friend from Utah—and we say that lightly, but he really is my friend—a conservative Republican—and for those of you who think none of us get along around here, we have very different views, but we are close friends. I can say to him that my biggest problem is how we pay for this. That is what I want to talk about right now because that is the second significant element of my concern on the immediate question before us: Do we appropriate or authorize to be appropriated \$87 billion or do we appropriate \$87 billion for this effort? I want to speak to that. That is what my amendment is about. That is what is before the Senate now.

At the outset, the first fellow with whom I spoke about this, the guy whose brainchild it was, along with me, is my friend from Massachusetts, JOHN KERRY. As a matter of fact, immediately after my floating this idea on

one of the national shows—“Meet The Press,” or whatever it was—I immediately got a call from Senator KERRY saying he had been thinking along the same lines and could we work together to do this. This is a joint effort, and we are joined by Senator FEINSTEIN, who feels strongly about it, and a number of others.

I wish to acknowledge at the front end here how we got to this point. I wish to explain the modification I sent to the desk and go into the details of why I think this is an important and necessary and responsible amendment. Again, remember, this is not coming from a guy who didn't support the war, who won't support the funding; it is coming from a guy who thinks we are going to have to come up with this \$87 billion, but we are going to have to come up with billions more. I wish the President would be as straightforward. This is a downpayment; this isn't the end of the road.

Now, initially, I had an amendment because I didn't have the detailed numbers from the Joint Tax Committee, the Finance Committee, and from outside experts, such as Brookings and Citizens For Fair Taxation and the like, because it takes a while to run these numbers. So, initially, we had put in an amendment that said we would authorize—which is constitutional—or direct the head of the IRS to find this \$87 billion from a specific category of taxpayers. We now have hard numbers. The hard numbers are very straightforward.

In order to pay now for the \$87 billion we are about to appropriate, we are proposing that the tax rate for the wealthiest Americans, which has dropped this year from above 39 percent down to 35 percent—and I am not arguing about that—and in order to find \$87 billion to pay for this, we would have to go back under our formula to that roughly 1 percent of the taxpayers—actually, the top bracket is less than 1 percent of the taxpayers—and say to them your tax rate is going to go back up in the years 2005, 2006, 2007, 2008, 2009, and 2010 to 38.2 percent. So that is what I sent up to the desk. It was a detail that wasn't in my original amendment because we didn't have it from Joint Tax. We didn't have it laid out. So that is a brief explanation of the modification.

Now, let's go back and review the bidding here if we can. First, we can pay for this supplemental several ways. One, we can pay for it, as the President has suggested, by increasing the deficit. If this is added to the projected deficit for 2004, the deficit for 2004 will rise to \$567 billion for that one year—next year. If we do not add it to the deficit, the projected deficit at this moment would be down, obviously, around \$480 billion—still a gigantic amount but \$87 billion less. The reason I am so opposed to doing that is on equitable grounds and grounds of economic recovery. On equitable grounds—and I know this sounds a lit-

tle political the way I am going to say this, but it is factually accurate—on equitable grounds, we, the grownups in this Chamber—and the average age here is probably roughly 50, I would say—we are going to be asking these young pages walking down the aisle to pay this bill. Literally, we are going to ask them to pay. We are not going to pay. If we can't do it my way, they pay. The President—I quoted him yesterday—in his last State of the Union Address said we are not going to pass on these debts and problems—at the end, I will actually give an exact quote—basically he said we are not going to pass these responsibilities to fight terror and to pay for it on to other generations. That is exactly what we are doing here.

For those of you who think that may not be a very compelling argument and those of you who voted for the tax cut because you wanted to spur economic recovery—a legitimate argument; I disagree with the way it is formulated and voted against it but a legitimate argument—look at what is happening now: As the deficit has been projected to be 480, or thereabouts—and the Presiding Officer and my friend from Utah and my two colleagues from California and Massachusetts know more about this than I do—what has happened? Long-term rates have already begun to rise. What does the market say? Why are long-term interest rates rising? Because of the projected deficits. That is a fact. They are already rising.

I respectfully suggest that taking \$87 billion out of a 10-year tax cut of \$1.8 trillion has no impact—none—on economic recovery, particularly since it is taken out over a 6-year period in small increments beginning in 2005. But if you are worried about the impact on the economy and the ability to sustain a recovery, you better be looking at the debt.

I would argue that from a principle of equity, as well as sound economic principles related to the recovery, adding this \$87 billion to the already gargantuan projected deficit—and it will be higher, by the way, because that does not even count prescription drugs, that does not count the other initiatives the President says we are going to do and Democrats say they want to do, it does not even count those programs yet, so we know it is going to be a heck of a lot higher—but to add \$87 billion on top of that can do nothing but jeopardize a long-term recovery.

The second way we can pay for this, which is very popular—and I am sort of the skunk at the family picnic on this on my side of the aisle—is to let the Iraqis pay for it. Some are saying the Iraqis have the second largest oil reserves in the world. Some of my Republican friends are proposing this as well.

For example, we have a flooded home. We have a very competent county executive dealing with this, and he says if we can pay for Iraq, the Federal Government can pay for this. That is really compelling. I tell you what, I am